

**SERIAL NO. 09/783,560****DOCKET NO. 1293.1174****REMARKS****INTRODUCTION:**

In accordance with the foregoing, claims 1-5 and 12 have been amended consistent with the interview with the Examiner and in order to clarify the features without narrowing the scope of the claim as would have been understood by one of ordinary skill in the art.

No new matter is being presented, and approval and entry of the foregoing amendments are respectfully requested.

Claims 1-22 are pending and under consideration. Reconsideration is requested.

**REJECTION UNDER 35 U.S.C. §103:**

In the Office Action at pages 2-13, the Examiner rejects claims 1-22 under 35 U.S.C. §103 in view of Mourad et al. (U.S. Patent Publication No. 2003/0135464) and Guheen et al. (U.S. Patent Publication No. 2004/0107125). This rejection is respectfully traversed and reconsideration is requested.

In contrast, Mourad et al. teaches a system in which an end user device 109 is able to obtain digital content 113 from a digital store 103 if the end user device 109 has authorized a payment. (Paragraphs 0284 to 0294, 0590; FIG. 1 of Mourad et al.) Once received, the digital contents 113 is stored according to Storage Usage Conditions 519. (Paragraphs 0363 and 0815).

As acknowledged by the Examiner on page 3 of the Office Action and in the interview, Mourad et al. does not suggest that the end user device 109 distributes the obtained digital content 113 to another end user device or that the end user device 109 receives some form of payment for this additional distribution from the end user device 109 to the another user. In order to cure this deficiency, the Examiner relies on paragraphs 1200, 3481, 4350, and 4378 of Guheen et al. as disclosing a system of offering a predetermined compensation via the server to the user who received the downloaded digital contents and distributing the downloaded digital contents after making payment to the another user.

By way of review, Guheen et al. teaches, among other features, implementing a web architecture format (WAF) in which multiple individual licensing arrangements are made between content providers, distributors, and end users so as to provide music or software with specified rights. As noted in paragraph 3292, the WAF agreements allow a first electronic agreement between a content provider and a distributor, which sets a number of copies which the distributor may distribute, in return for a price paid to the content provider by the distributor. In a second agreement between the distributor and a value-chain end user, the end user agrees

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to another set of rights in exchange for payment to the distributor. As such, Guheen et al. teaches that the WAF agreements allow for payments between vertical elements of the supply chain (i.e., between the content provider and the distributor or between the distributor and the end user).

However, as acknowledged by the Examiner in the interview, Guheen et al. does not suggest one end user distributing received contents to another end user and having the distributor or content provider provide a payment to the one end user. Similarly, there is no suggestion that the distributor receives payment from the content provider when the end user makes payment, or that the end user makes a payment to the content provider instead of the distributor.

Additionally, Guheen et al. suggests providing an accounting mechanism to track end-user usage and to specify the value chain elements in paragraphs 4350 and 4378. By way of example, as described in paragraph 4378, an organizational client administrator can use the WAF environment to specify usage rights to multiple end users within the organization, and payments for royalties for metered usage of contents can be audited and managed. However, as acknowledged by the Examiner in the interview, Guheen et al. does not suggest that the payment mechanism is otherwise changed, that the organizational end users distribute the contents between each other for the use of the contents, or that the end users and the organizational client manager independently download the contents from and make payments to a common server, where the common server provides a payment to the organizational client manager or one of the organizational end users who further distributes the contents.

In contrast, claim 1 recites, among other features, "accessing by a first user a server providing digital contents download services via a first communication network to make payment for digital contents on the server, and receiving a download of the digital contents on which a security code is set," and "after the server is accessed and payment for the distributed digital contents is made by the second user, offering a predetermined compensation via the server to the first user who received the downloaded digital contents." Since Mourad et al. is not relied upon as disclosing such a feature, it is respectfully submitted that the combination of Mourad et al. and Guheen et al. does not disclose or suggest the invention as recited in claim 1.

For at least similar reasons, it is respectfully submitted that the combination of Mourad et al. and Guheen et al. does not disclose or suggest the invention recited in claims 6, 10, 12, 14, 16, and 19.

Additionally, on page 3 of the Office Action, the Examiner asserts that one of ordinary skill in the art would have been motivated to modify the device and method shown in Mourad et

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al. to include the WAF-based system of Guheen et al. because this method would ensure that the content is paid for before download. However, the Examiner does not point to a source in the prior art that suggests such a modification of Mourad et al. Further, Mourad et al. requires payment prior to the end user receiving the secure content, and retains a set of rights in the conditions 519 within the paid-for secure contents to prevent unauthorized distribution by the end user device 109. (Paragraphs 0284, 0285, and 0286 of Mourad et al.) There is no suggestion as to why Mourad et al., which already requires payment prior to distribution of the contents to the end user device 109, should be modified to include the method of Guheen et al. Further, there is no suggestion as to why the system of Mourad et al. or Guheen et al. should be modified such that one entity is responsible for receiving and/or distributing payment as well as performing verification.

There is further no suggestion that the conditions 519 of Mourad et al. should allow the end user device 109 to again distribute the secure contents 113 to another user using the method of Guheen et al., especially since neither Mourad et al. nor Guheen et al. suggest allowing an end user to further distribute contents in return for payment to the end user in the manner set forth in the claims. As such, it is respectfully submitted that there is insufficient evidence of a motivation to combine Mourad et al. and Guheen et al. in the recited manner as is required in order to maintain a prima facie obviousness rejection of the claims.

In addition and as previously set forth in the Amendment of April 20, 2004, Mourad et al. does not suggest that, if the digital contents 113 is disposed on another apparatus other than the end user device 109, the another apparatus contacts the digital store 103, the contents provider 101, the clearinghouse 105, or other entities. Instead, Mourad et al. teaches that the digital contents 113 would not be operable since the digital contents 113 is only authorized for use at the end user device 109 due to a watermarking system and Store Usage Conditions 519 encoded in the digital contents 113. (Paragraphs 0315 through 0318 and 0363 through 0367). In contrast, claim 2 recites, "if the distributed digital contents are executed on the second user's computer, further accessing the server due to a failure of a security check on the security code set on the distributed digital contents." Since Guheen et al. is not relied upon as teaching such a feature, it is respectfully submitted that the combination of Mourad et al. and Guheen et al. does not disclose or suggest the invention recited in claim 2

For similar reasons, it is respectfully submitted that the combination of Mourad et al. and Guheen et al. does not disclose or suggest the invention recited in claims 7 and 10.

Also and as previously set forth in the Amendment of April 20, 2004, Mourad et al. does not suggest that, if the end user device 109 has distributed the digital contents 113 to another

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user, the digital store 103, the contents provider 101, the clearinghouse 105, or other entity changes the watermark license 527, the Usage Conditions 517, or the Store Usage Conditions 519. In contrast, claim 3 recites, "if the server is accessed and payment for the distributed digital contents is made by the second user, further resetting the security code set on the distributed digital contents for the second user who made the payment." Since Ran et al. is not relied upon as teaching such a feature, it is respectfully submitted that the combination of Mourad et al. and Guheen et al. does not disclose or suggest the invention recited in claim 3.

For similar reasons, it is respectfully submitted that the combination of Mourad et al. and Guheen et al. does not disclose or suggest the invention recited in claims 8, 11, 13, 15, and 20.

Similarly as previously set forth in the Amendment of April 20, 2004, it is respectfully submitted that the combination of Mourad et al. and Guheen et al. does not disclose or suggest, among other features, "further distributing the distributed digital contents on which the security code is reset to a third user; if payment for the further distributed digital contents is made by the third user, offering via the server a predetermined compensation to the second user who further distributed the distributed digital contents" as recited in claim 4; or "further distributing the downloaded digital contents to additional users by the second user who received the distributed digital contents; and repeating said further distributing by the additional users to still other additional users hierarchically" as recited in claim 5.

For similar reasons, it is respectfully submitted that the combination of Mourad et al. and Guheen et al. does not disclose or suggest the invention recited in claims 9, 21, and 22.

Lastly, while the Examiner on page 2 of the Office Action asserts that the arguments in the Amendment of April 20, 2004 are moot in view of the combination of Mourad et al. and Guheen et al., it is noted that the Examiner does not rely upon Guheen et al. as curing the above noted defects of Mourad et al. as applied to claims 2-5, 7-11, 13, 15, and 20-22. Instead, the Examiner appears to be using the same arguments in applying Mourad et al. against these claims presented in the Office Action of January 20, 2004 without addressing the applicant's arguments in the Amendment of April 20, 2004. As such, there is no apparent argument which supports the Examiner's continued rejection of the claims in view of the applicant's traversal and which either clarifies the Examiner's position or otherwise advances prosecution. Therefore, the Examiner has not rebutted the arguments presented by the applicant in the Amendment of April 20, 2004.

As noted in at least MPEP 707.07(f), the Examiner is required to answer and address all traversals. This requirement is in addition to any repetition of a previously held position and is required to allow the applicant a chance to review the Examiner's position as to these arguments

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and to clarify the record for appeal. Additionally and as further noted in MPEP 707.07(f), a failure of the Examiner to address the applicant's traversals can be deemed a failure to rebut these arguments so as to admit that the arguments have overcome the rejection. At the very least, the failure to address the applicant's traversals would render the Examiner's decision to again reject the claims arbitrary and capricious and invalid under the Administrative Procedures Act, 5 U.S.C. § 706, the standard under which such rejections are reviewed in view of Dickinson v. Zurko, 527 U.S. 150, 50 USPQ2d 1930 (1999). Thus, since the Examiner has not addressed the applicant's traversals presented in the Amendment of April 20, 2004, it is respectfully requested that the Examiner withdraw the rejection of claims 2-5, 7-11, 13, 15, and 20-22, or issue a new, non-final Office Action addressing the arguments in the Amendment of April 20, 2004 with respect to these claims.

Claims 17 and 18 are deemed patentable due at least to their depending from claim 14.

**CONCLUSION:**

In accordance with the foregoing, it is respectfully submitted that all outstanding objections and rejections have been overcome and/or rendered moot. And further, it is respectfully submitted that all pending claims patentably distinguish over the prior art. Thus, there being no further outstanding objections or rejections, the application is submitted as being in condition for allowance which action is earnestly solicited.

If the Examiner has any remaining issues to be addressed, it is believed that prosecution can be expedited by the Examiner contacting the undersigned attorney for a telephone interview to discuss resolution of such issues.

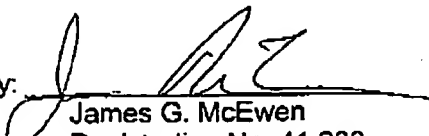
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If there are any additional fees associated with the filing of this Amendment, please charge the same to our Deposit Account No. 19-3935.

Respectfully submitted,

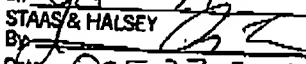
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